WASCANA CENTRE AUTHORITY

REGINA, SASKATCHEWAN

FINANCIAL STATEMENTS
March 31, 2010

VIRTUS GROUP

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The accompanying financial statements of **Wascana Centre Authority** have been prepared by the Organization's management in accordance with Canadian Generally Accepted Accounting Principles and necessarily include some amounts based on informed judgment and management estimates.

To assist management in fulfilling its responsibilities, a system of internal controls has been established to provide reasonable assurance that the financial statements are accurate and reliable and that assets are safeguarded.

The board of directors has reviewed and approved these financial statements.

These financial statements have been examined by the independent auditors, **Virtus Group LLP**, and their report is presented separately.

Bernadette McIntyre
Chief Executive Officer

Vivian Lund, CA
Director of Administration

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Chartered Accountants & Business Advisors LLP

AUDITORS' REPORT

To the Members,

Wascana Centre Authority

We have audited the statement of financial position of **Wascana Centre Authority** as at **March 31, 2010** and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian Generally Accepted Auditing Standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Organization as at **March 31, 2010** and the results of its operations and its cash flows for the year then ended in accordance with the basis of accounting required by the participating parties under *The Wascana Centre Act* as disclosed in note 2 to the financial statements. The basis of accounting is in accordance with Canadian Generally Accepted Accounting Principles with the exception of the requirement for the Authority to expense designated expenditures that would otherwise be capitalized.

As described in the preceding paragraph, these financial statements have been prepared on a prescribed basis that necessarily includes a departure from Canadian Generally Accepted Accounting Principles for the purposes referred to in the notes to the financial statements. Some users of the financial statements may require additional information.

Regina, Saskatchewan
May 19, 2010

Virtus Group LLP

Chartered Accountants

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Wascana Centre Authority

Statement of Financial Position

Year ended March 31, 2010, with comparative figures for 2009

	2010	2009
Assets		
Current assets:		
Cash and term deposits	$ 1,665,848	$ 878,718
Accounts receivable	373,855	42,595
Prepaid expenses	4,718	7,040
	2,044,421	928,353
Property, plant and equipment (note 3)	3,246,818	3,159,732
	$ 5,291,239	$ 4,088,085
Liabilities and Participating Parties' Net Assets		
Current liabilities:		
Accounts payable	$ 777,878	$ 269,833
Deferred revenue	3,045	3,045
Deferred landscape construction contributions (note 4)	652,087	206,492
	1,433,010	479,370
Deferred capital contributions (notes 3 & 5)	377,818	430,006
Net assets:		
Investment in property, plant and equipment (note 5)	2,869,000	2,729,726
Special projects reserve (note 6)	100,000	100,000
Unrestricted surplus assets	511,411	348,983
	3,480,411	3,178,709
	$ 5,291,239	$ 4,088,085

See accompanying notes to the financial statements.

Approved by the Authority:

Member

Member

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Wascana Centre Authority

Statement of Changes in Net Assets

Year ended March 31, 2010, with comparative figures for 2009

	Investment in property, plant and equipment	Special projects reserve	Unrestricted surplus assets	2010	2009
Balance, beginning of year	$ 2,729,726	$ 100,000	$ 348,983	$ 3,178,709	$ 3,042,144
Excess of revenue (expenses) for the year	-	-	301,702	301,702	$ 136,565
Net change in investment in property, plant and equipment (note 5)	139,274	-	(139,274)	-	-
Balance, end of year	$ 2,869,000	$ 100,000	$ 511,411	$ 3,480,411	$ 3,178,709

See accompanying notes to the financial statements.

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Wascana Centre Authority

Statement of Operations

Year ended March 31, 2010, with comparative figures for 2009

	2010	2009
Revenue:		
Government of Saskatchewan		
Statutory grant	$ 779,831	$ 831,814
Maintenance grant	2,166,450	2,053,450
Saskatchewan Capital Commission	600,000	600,000
City of Regina		
Statutory grant	425,362	453,717
Maintenance grant	1,224,700	1,102,700
University of Regina		
Statutory grant	269,130	273,708
Maintenance grant	423,550	411,000
Other operating revenue (Schedule 1)	1,396,160	301,932
	7,285,183	6,028,321
Expenses:		
Landscape construction (Schedule 2)	1,253,006	466,389
Landscape maintenance (Schedule 3)	1,286,071	1,143,798
Service maintenance (Schedule 3)	948,946	960,513
Equipment Costs, Employee Benefits and Supervision (Schedule 3)	1,798,366	1,719,554
Specialized services (Schedule 4)	1,426,812	1,331,467
Amortization	270,280	270,035
	6,983,481	5,891,756
Excess of revenue for the year	$ 301,702	$ 136,565

See accompanying notes to the financial statements.

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Wascana Centre Authority

Statement of Cash Flows

Year ended March 31, 2010, with comparative figures for 2009

Cash provided by (used in):	2010	2009
Operating activities:		
Excess of revenue for the year	$ 301,702	$ 136,565
Items not involving cash:		
Amortization	270,280	270,035
Capital grant revenue recognized	(52,188)	(52,188)
Gain on sale of property, plant and equipment	(17,329)	(17,075)
(Increase) decrease in accounts receivable	(331,260)	22,842
Decrease in prepaid expenses	2,322	5,547
Increase in accounts payable	508,045	6,445
Decrease in early retirement benefits payable	-	(700)
Decrease in deferred revenue	-	(14)
(Decrease) increase in deferred landscape construction contributions	445,595	(54,629)
	1,127,167	316,828
Investing activities:		
Purchase of property, plant and equipment (note 5)	(357,366)	(165,207)
Proceeds on sale of property, plant and equipment	17,329	18,912
	(340,037)	(146,295)
Increase (decrease) in cash and term deposits	787,130	170,533
Cash and term deposits, beginning of year	878,718	708,185
Cash and term deposits, end of year	$ 1,665,848	$ 878,718

See accompanying notes to the financial statements.

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Wascana Centre Authority

Notes to the Financial Statements

Year ended March 31, 2010, with comparative figures for 2009

Note 1. Description of operations

On April 1, 1962, *The Wascana Centre Act* (the "Act") was passed unanimously by the Saskatchewan Legislature. By this Act, the Wascana Centre Authority (the "Authority") was established as a statutory corporate body for the operation of Wascana Centre (the "Centre"). The Government of Saskatchewan (the "Government"), the City of Regina (the "City") and the University of Regina (the "University"), usually referred to as "Participating Parties", became partners in the Wascana Centre Authority.

Under the powers of the Act, the Authority establishes a master plan for the Centre and ensures all developments are consistent with the plan; approves all exterior improvements, including building, service facility and landscape improvements; establishes bylaws; provides special services; undertakes landscape construction and maintains the grounds within the boundaries of the Centre.

The Authority is a registered charity within the meaning of the *Income Tax Act* (Canada) and is exempt from income taxes.

The Authority is economically dependant on the Participating Parties and is financed as follows:

Statutory grants

These funds are provided for in Section 53 of the Act, on the shared basis of 55% by the Government, 30% by the City and 15% by the University to provide the necessary funding for the administrative and general operating expenses of the Authority. The Act also provides that no less than $375,000 of this amount be directed towards landscape construction and service facility construction and restoration on Authority owned land, and service facility construction on land of a Participating Party when the service facility construction is deemed to be of mutual benefit to the three Participating Parties, pursuant to Section 30 of the Act.

Operating grants

Beyond the statutory contribution, operating grants are provided by each of the Participating Parties based on land ownership.

To maintain uniformity throughout the Centre, unit operating costs are established pursuant to Section 37 of the Act and applied as standards for landscape and service maintenance. This ensures that each of the Participating Parties pays its fair share of operating costs for lands located within the Centre, the title for which is held by the respective Participating Parties.

Developments such as buildings, roadways and landscaped areas are the responsibility of the landowner holding title to such developments.

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Note 2. Significant accounting policies

The financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles and reflect the following policies:

Revenue recognition

The Authority follows the deferral method of accounting for contributions which include government grants and donations. Where a portion of an operating grant relates to a future period, it is deferred and recognized in the related period. Grants to assist with the financing of capital asset additions are recorded as deferred contributions. The portion of the grant equivalent to the annual amortization expense of the related asset is recognized annually as income.

Revenue from fees, contracts and sale of goods and services are recognized when the services are provided or the goods are sold.

Property, plant and equipment

Purchased assets are recorded at cost. Property, plant and equipment originally contributed by the Participating Parties at incorporation have been recorded at a nominal value of $1. Specifically designated expenditures that are incurred for landscape construction on public land and construction of service facilities on Authority land or on land of the Participating Parties are expensed.

Amortization is provided on the straight-line basis over the following periods:

Buildings	20 years
Equipment	5 - 10 years
Vehicles	5 - 8 years
Office furniture	10 years

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

Financial instruments - Recognition and measurement

All financial instruments are designated and classified as one of the following: held-to-maturity, loans and receivables, held-for-trading or available for sale and other liabilities. Financial assets and liabilities held-for-trading are measured at fair value with gains and losses recognized in excess of revenues over expenses. Financial assets held-to-maturity, loans and receivables and financial liabilities other than those held-for-trading are measured at amortized cost. Available for sale financial assets are measured at fair value with unrealized gains and losses recognized as a separate component of net assets. Upon initial recognition any financial instrument may be designated as held-for-trading.

Note 3. Property, plant and equipment

	Cost	Accumulated Amortization	2010 Net Book Value	2009 Net Book Value
Assets from Participating Parties	$ 1	$ -	$ 1	$ 1
Land	1,669,894	-	1,669,894	1,669,894
Buildings	4,577,306	4,019,590	557,716	532,723
Equipment	2,859,836	2,134,552	725,284	666,493
Vehicles	833,058	582,622	250,436	237,217
Office furniture	315,945	272,458	43,487	53,405
	$ 10,256,040	$ 7,009,222	$ 3,246,818	$ 3,159,732

Note 4. Deferred landscape construction contributions

Deferred contributions represent unspent statutory grants for landscape construction carried forward from year to year, unspent capital contributions from funding agencies for specific projects, as well as donations received from public designated for specific purposes. These amounts are externally restricted as a result of conditions associated with their receipt. Within these external requirements, the Board has designated these amounts to be spent on Landscape Construction ($67,788), Special Projects Reserve ($70,330), Fine Arts ($59,448), Master Plan ($14,957) and Waterfowl Park ($24,120) initiatives. There is a total of $419,365 received from other parties to be dedicated to specific projects expected to be completed in 2010/2011.

	2010	2009
Balance, beginning of year	$ 206,492	$ 261,121
Add: Amounts received during the year	1,520,815	411,760
Less: Amounts recognized as revenue during the year	(1,075,220)	(466,389)
Balance, end of year	$ 652,087	$ 206,492

Note 5. Investment in property, plant and equipment

Investment in property, plant and equipment is calculated as follows:

	2010	2009
Property, plant and equipment, beginning of year	$ 3,159,732	$ 3,266,397
Purchase of property, plant and equipment	357,366	165,207
Net book value of property, plant and equipment disposed	-	(1,837)
Amortization of property, plant and equipment	(270,280)	(270,035)
Property, plant and equipment, end of year	$ 3,246,818	$ 3,159,732
Deferred capital contributions, beginning of year	$ 430,006	$ 482,194
Capital contributions recognized	(52,188)	(52,188)
Deferred capital contributions, end of year	$ 377,818	$ 430,006
Net investment in property, plant, and equipment	$ 2,869,000	$ 2,729,726

Note 6. Special Projects Reserve

During 2008/09, the Board designated $100,000 as a Special Projects Reserve. The Reserve may be used for any purpose approved by the board.

Note 7. Related-party transactions

Included in these financial statements are expenditures resulting from routine operating transactions with various agencies and departments of the Participating Parties.

These transactions are in the normal course of operations and are recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties. The Authority had the following transactions with related parties:

	2010	2009
Expenses:		
Service maintenance	$ 247,060	$ 261,733
Indirect costs	179,517	146,601
Specialized services	74,297	116,810
Amounts included in the statement of financial position:		
Accounts receivable	$ 287,793	$ 31,631
Prepaid expenses	-	4,386
Accounts payable	36,943	103,725

During the year, the Authority incurred expenses of $825,610 (2009 - $664,887) for services provided to the Participating Parties and outside agencies on a contractual basis that were fully recovered from the Participating Parties and outside agencies.

Note 8. Financial instruments

Fair Value:
The fair value of the Authority's cash and term deposits (classified as held for trading), accounts receivable (classified as loans and receivables), and accounts payable (classified as other liabilities) approximate their carrying amounts due to their short term nature.

Credit Risk:
The Authority is exposed to credit risk on the accounts receivable from its customers. In order to reduce its credit risk, the Authority has adopted credit policies, which include the regular review of their credit limits. The Authority incurred insignificant bad debt expense during the past three years.

Note 9. Capital disclosures

Capital of the Authority includes its net assets. The Authority's objective when managing capital is to meet its current objectives as set out within its current strategic operating plan within its annual operating budget. This objective has remained unchanged from the prior period.

Wascana Centre Authority

Schedule 1 - Other Operating Revenue

Year ended March 31, 2010, with comparative figures for 2009

	2010	2009
Other grant revenue	$ 1,056,374	$ 3,935
Service maintenance contracts	129,862	118,854
Rent	80,675	72,084
Capital grant revenue	52,188	52,188
Miscellaneous	29,049	10,270
Gain on sale of capital assets	22,560	4,953
Ferry boat revenue	17,329	15,358
Parking ticket revenue	5,662	6,743
Interest	2,132	17,075
Art gallery gross profit	329	472
	$ 1,396,160	$ 301,932

Schedule 2 - Landscape Construction

Year ended March 31, 2009, with comparative figures for 2008

	2010	2009
Broad Street Pedestrian Bridge & Trail	$ 466,838	-
Candy Cane Parking Lot	291,945	-
Candy Cane Playground Phase 1	171,130	-
Wascana Rehabilitation Playground	109,471	-
Broad Street Approaches-Landscape Improvements	34,307	30,522
Globe Light Refit Program	31,342	84,974
Landscape Repairs - Albert Street Promenade	30,920	-
Furnace Replacements	30,087	-
Candy Cane Playground Phase 2	24,504	-
Wascana Drive Rehabilitation Phase 1 Design	18,889	-
U of R/SIAST/SK Learning-Turf Repair	9,367	9,411
Candy Cane Playground Design	9,141	-
Mechanics Storage Facility	8,014	-
Benches and Amenities	7,802	1,519
Lower Marina Play Area	6,636	-
Candy Cane Parking Lot Design	1,118	-
Waterfowl Park	877	-
Traffic Signage	447	-
Pump Rehabilitation	110	-
Trees/Plant Materials	61	-
Roofing Program	-	53,953
Goosehill Park Multiuse pathway (WCA portion)	-	38,095
Pedestrian Bridges to Pelican Island-Design	-	35,000
Sediment Filters-Douglas Park Pumphouse	-	32,005
Director's Demand Fund	-	30,046
Waterfowl Park Observation Deck-Design	-	28,063
Forestation-Tree/Shrub Planting	-	24,281
Wascana Place Accessibility	-	22,170
Unit Paving Stone Restoration	-	19,102
Fundraising Project Expenditures	-	17,510
Wascana Marina Lake Access-Sailing Users	-	12,089
Pedestrian Bridge at Broad Street-Design Development	-	9,971
Landscape Repairs (Gov't Services Infrastructure)	-	6,893
Roadway Restoration Design	-	4,572
Hillsdale Corridor-Landscape Improvements	-	3,114
Waterfall Park Reserve	-	3,099
	$ 1,253,006	$ 466,389

Wascana Centre Authority

Schedule 3 - Landscape Maintenance, Service Maintenance and Indirect Costs

Year ended March 31, 2010, with comparative figures for 2009

	2010	2009
Landscape Maintenance		
Salaries:		
Irrigated turf	$ 465,148	$ 449,093
Trees and shrubs	288,984	249,621
Flowers, bedding plant, nursery	120,287	103,947
Picnic sites, park furniture, amenities	68,350	51,945
Unimproved	37,619	43,911
Playing fields	40,036	38,203
	1,020,424	936,720
Materials	265,647	207,078
	$ 1,286,071	$ 1,143,798
Service Maintenance		
Salaries:		
Snow removal	$ 176,476	$ 204,982
Survey, engineering	68,436	72,067
Buildings and washrooms	68,156	56,094
Roads, lighting and signs	36,024	37,663
Striping and sweeping	17,945	13,419
	367,037	384,225
Utilities	235,756	252,434
Building repair and maintenance - materials	191,201	147,784
Supplies and materials	77,020	106,188
Insurance	77,932	69,882
	581,909	576,288
	$ 948,946	$ 960,513
Equipment Costs, Employee Benefits and Supervision		
Equipment maintenance:		
Salaries	$ 163,972	$ 165,680
Gas, oil and grease	119,019	155,091
Miscellaneous repairs and materials	116,937	102,292
Registration and insurance	47,067	72,370
Cost recoveries	(56,479)	(52,562)
	390,516	442,871
Employee benefits (net of cost recoveries of $59,078; 2009 - $58,951)	1,024,768	917,730
Supervisory salaries	383,082	358,953
	$ 1,798,366	$ 1,719,554

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Wascana Centre Authority

Schedule 4 - Specialized Services

Year ended March 31, 2010, with comparative figures for 2009

	2010	2009
Greenhouse:		
Salaries	$ 98,632	$ 94,788
Materials	28,756	47,213
	127,388	142,001
Special Constables:		
Salaries	218,510	193,805
Vehicle operation and rental	18,203	24,807
Uniforms, radios and other	8,304	19,375
	245,017	237,987
Public relations:		
Salaries	169,729	169,277
Information and committee programs	77,213	27,423
Art gallery and gift shop expense	4,897	2,851
Display ponds	3,178	2,089
	255,017	201,640
Administration:		
Salaries	596,588	574,211
Data processing	60,281	38,000
Photocopying and supplies	30,328	25,886
Telephone	27,331	24,348
Regulatory and consulting	27,184	17,920
Training and travel	19,822	24,736
Audit	11,224	11,400
Legal expenses	9,733	6,489
Postage and courier services	7,976	7,738
Honoraria and association fees	6,720	15,411
Reference books and subscriptions	2,203	3,700
	799,390	749,839
	$ 1,426,812	$ 1,331,467

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